

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

Paper No. 35

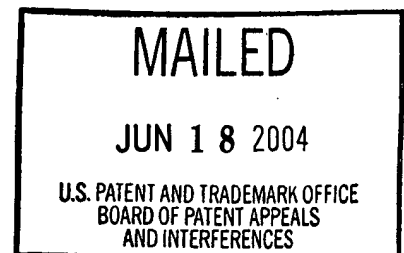
UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

Ex parte ROBERT A. FERSTENBERG, MAURICIO KARCHMER, and RAN HILAI

Appeal No. 2004-0015  
Application No. 09/209,815<sup>1</sup>

HEARD: MAY 20, 2004



Before JERRY SMITH, BARRY, and SAADAT, Administrative Patent Judges.

SAADAT, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134 from the Examiner's final rejection of claims 116-121, 123, and 125-147, which are all of the claims pending in this application. Claims 1-115, 122 and 124 have been canceled.

We reverse.

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<sup>1</sup> Application for patent filed December 11, 1998, which is a continuation of patent application no. 08/856,741, filed May 15, 1997, now US Patent no. 5,873,071.

BACKGROUND

Appellants' invention relates generally to computer systems that facilitate an automatic exchange of commodities between users, and in particular to a computer-implemented method for exchange of commodities using intermediation by a third party. An understanding of the invention can be derived from a reading of exemplary independent claim 116, which is in an appendix to this decision.

The prior art references of record relied upon by the Examiner in rejecting the appealed claims are:

Thiessen	5,495,412	Feb. 27, 1996
Ausubel	5,905,975	May 18, 1999 (filed Nov. 5, 1996)
Silverman et al. (Silverman)	5,924,082	Jul. 13, 1999 (filed Jun. 7, 1995)

Claims 116-120, 123, 127-129, 133, 135, 137, 139, 140-143, and 145-147 stand rejected under 35 U.S.C. § 102(e) as being anticipated by Silverman.

Claims 121, 125, 126, 136, and 138 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Silverman.

Claims 130 and 144 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Silverman in view of Ausubel.

Claims 131, 132, and 134 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Silverman in view of Thiessen.

We make reference to the answer (Paper No. 28, mailed March 27, 2003) for the Examiner's complete reasoning in support of the rejections, and to the appeal brief (Paper No. 27, filed January 10, 2003) and the reply brief (Paper No. 30, filed May 27, 2003) for Appellants' arguments thereagainst.

OPINION

With respect to the 35 U.S.C. § 102 rejection of claims 116-120, 123, 127-129, 133, 135, 137, 139, 140-143, and 145-147, Appellants argue that Silverman does not disclose or suggest a system to "intermediate the exchange of commodities among plural parties through a series of offer and counter-offer messages from the participants to the intermediary and from the intermediary to the participants" (brief, page 10). Relying on col. 12, lines 64-67 and Fig. 1 of Silverman<sup>2</sup>, Appellants point out that the reference uses "direct connections between remote terminals (e.g. terminals 101 and 102) bypassing the matching computer 11, for direct communication during negotiations" (brief, page 11). Additionally Appellants argue that Silverman merely introduces parties to each other based on profiles entered into the

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<sup>2</sup> Appellants incorrectly refer to Fig. 2 (Brief, page 11) whereas Fig. 1 actually corresponds with the terminals 101 and 102 described in the brief.

system by each party and therefore, the Silverman system has no further interaction with the parties except to receive a notice that the parties have agreed to transactions terms (brief, page 11 and reply brief pages 1-3). Appellants indicate that in the claimed invention the intermediary not only receives messages from participants, but also generates all counter-offers (brief, page 12 and oral hearing).

In response to Appellants' arguments, the Examiner equates the claimed active participation of the intermediary in "negotiation" among participants with the passive transmission of the "communication" by the users through the matching computer of Silverman (answer, page 9). The Examiner argues that negotiation messages sent between two or more remote terminals, in response to control signals from the matching computer (col. 5, lines 26-29), show that the intermediary (matching computer) is an integral part of the negotiation process (answer, page 10).

A rejection for anticipation under section 102 requires that the four corners of a single prior art document describe every element of the claimed invention, either expressly or inherently, such that a person of ordinary skill in the art could practice

the invention without undue experimentation. See Atlas Powder Co. V. Ireco Inc., 190 F.3d 1342, 1347, 51 USPQ2d 1943, 1947 (Fed. Cir. 1999); In re Paulsen, 30 F.3d 1475, 1478-79, 31 USPQ2d 1671, 1673 (Fed. Cir. 1994).

A review of Silverman reveals that the reference relates to a negotiated matching system which specifically:

[I]dentifies potential counterparties to a transaction using criteria input by each user of the system and then enables communication between the counterparties so that the parties may negotiate the final terms and/or details of the transaction.

(Col. 1, lines 13-23.)

As acknowledged by the Examiner and Appellants, the matching computer of Silverman corresponds to the claimed "intermediary." However, the function of the matching computer is described by Silverman as follows:

The matching computer then uses the first set of transaction parameters (e.g., ranking data, price data, size data and other parameters or attributes) entered by each party to the potential transaction to determine whether the potential counterparties are compatible. If so, the potential counterparties are notified so that they may begin to negotiate the second set of transaction parameters as described above. No transactions are executed unless the parties agree on both sets of parameters for the transaction. [Emphasis added.]

(Col. 4, lines 58-68.)

Therefore, the matching computer only matches counterparties without participating in the negotiation process. When an

agreement has been independently reached between the counterparties, the matching computer, after receiving signals from the offeror and the bidder, executes the transaction and removes the offer and bid from the system (col. 7, lines 54-63).

Furthermore, what the Examiner characterizes as a negotiation by the matching computer in col. 5, lines 26-29 actually refers to the matching of the counterparties if they are compatible, which is prior to the negotiation step. The control signals generated by the matching computer then enable electronic communication between the two counterparties to the potential transaction (col. 7, lines 51-54).

Based on our findings above, we agree with Appellants that the matching computer of Silverman does not intermediate the exchange of commodities among plural parties by generating electronic offer messages, as recited in claim 116. Contrary to Examiner's characterization, the matching computer of Silverman facilitates communication among parties only prior and subsequent to the negotiation rather than actively participating in the negotiation process by generating electronic offer messages. Other independent claims 129 and 140 also recite the step of generating electronic offer messages by the intermediary to the participants which is absent in Silverman. Accordingly, Silverman does not anticipate the claimed subject matter and the

35 U.S.C. § 102 rejection of independent claims 116, 129 and 140, as well as 117-120, 123, 127, 128, 133, 135, 137, 139, 141-143, and 145-147 dependent thereon, cannot be sustained.

We note that the Examiner relies on Silverman for rejecting claims 121, 125, 126, 136, and 138 under 35 U.S.C. § 103 based on the modification to the reference as a design decision (answer, page 6). Further, in addition to Silverman, the Examiner relies on Ausubel for rejecting claims 130 and 144 and on Thiessen for rejecting claims 131, 132 and 134. However, the Examiner points to no teaching or suggestion in these references provide no teaching or suggestion to overcome the deficiencies of Silverman with respect to the independent claims as discussed above, and therefore fail these references to support a prima facie case of obviousness. Accordingly, the 35 U.S.C. § 103 rejections of claims 121, 125, 126, 136, and 138 over Silverman, claims 130 and 144 over Silverman and Ausubel and claims 131, 132, and 134 over Silverman and Thiessen cannot be sustained.

To summarize, the decision of the Examiner to reject claims 116-120, 123, 127-129, 133, 135, 137, 139, 140-143, and 145-147 under 35 U.S.C. § 102 and claims 121, 125, 126, 130-132, 134, 136, 138, and 144 under 35 U.S.C. § 103 is reversed.

*Jerry Smith*  
JERRY SMITH

JERRY SMITH  
Administrative Patent Judge

~~LANCE LEONARD BARRY~~  
~~Administrative Patent Judge~~

BOARD OF PATENT  
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AND  
INTERFERENCES

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MAHSHID D. SAADAT  
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**APPENDIX**

116. A computer implemented method for an electronic intermediated exchange of a plurality of commodities among a plurality of participants comprising the electronic negotiation steps of:

(a) generating electronic opening messages from the participants to the intermediary, wherein the opening messages comprise digital data representing opening requests of the participants to buy and/or to sell amounts of one or more commodities, and wherein, for at least one commodity both buy and sell requests are generated by participants;

(b) generating electronic offer messages to the participants from the intermediary in response to received messages from said participants, wherein the content of the electronic offer messages are determined by the intermediary based on said received messages and comprise digital data representing offers to the participants respectively to buy and/or to sell amounts of one or more commodities requested in said opening messages by said participants respectively to be sold and/or bought, with each offer being less than or equal to the amounts represented in the corresponding opening request, and wherein, for at least one commodity, the offer messages comprise both buy and sell offers, and wherein, for said at least one commodity, the total of the amounts offered for sale in all the generated offer messages equals the total of the amounts offered for purchase in all the generated offer messages,

(c) generating electronic counter-offer messages from the participants to the intermediary in response to received electronic offer messages, wherein the electronic counter-offer messages comprise digital data representing further requests to buy and/or to sell amounts of one or more commodities with each further request being less

than or equal to the amounts represented in the corresponding opening request, wherein, for at least one commodity, the counter-offer messages comprise both buy and sell requests; and

(d) repeating steps (b) and (c), if necessary, until the last offer message to each participant from the intermediary is indicated in a responsive message to the intermediary from that participant to represent offered amounts of one or more commodities to buy and/or to sell in the exchange that are substantially satisfactory according to that participant's individual exchange objectives,

whereby the substantially-satisfactory offered amounts as negotiated through the intermediary determine an exchange of a plurality of commodities among a plurality of participants.